

## **2015-125 AUDIT SCOPE AND OBJECTIVES**

### **San Joaquin Valley Air Pollution Control District's Funds & Operations**

The audit by the California State Auditor will provide independently developed and verified information related to the revenue streams that the San Joaquin Valley Air Pollution Control District (district) derives from various industry fees, and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Determine whether the district's revenues from stationary sources and permit fees are sufficient to fund selected industries' permitting and regulation programs including, but not limited to, the following:
  - (a) Review district policies and methodologies for setting fee rates.
  - (b) Assess whether the fees are reasonable and allowable. Review revenues, expenditures, and fund balances of fee-based programs over the past five fiscal years.
  - (c) Assess if the district is supplementing certain programs with funds from other fee-based programs or other state and federal fund sources.
3. Determine whether the district policies require certain entities to post bonds against potential lawsuits resulting from the district's granting of permits including, but not limited to, the following:
  - (a) Review district methodologies for establishing bonding policies and assess if they are reasonable.
  - (b) Assess which types of permits meet the bonding requirement set by the district.
  - (c) Determine whether the district budgets for litigation costs resulting from contested permits. If it does, assess the reasonableness of the funding amount and any relationship the funding may have to entities required to post bonds.
4. Review and assess any other issues that are significant to the audit.